**Tax Holiday for Railway Projects**

*37. SHRI V. NARAYANASWAMY: Will the Minister of FINANCE be pleased to state:

(a) whether Government has taken any decision to allow a five year tax holiday for the new railway projects;

(b) if so, by when it is likely to be implemented; and

(c) what is the estimated revenue loss likely to be incurred by Government on account of such a concession;

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKARA MURTHY): (a) and (b) Yes, Sir. The tax concession for the development of infrastructure facility, as introduced in the Income-tax Act, is available for the new railway projects as rail system is included in the infrastructure facility, as defined under the Income-tax Act. The concession will be available to the enterprises in cases where operation starts after the 1st day of April, 1995.

(c) As the concession is available only from assessment year 1996-97, the revenue loss likley to be incurred by the Government on account of such a concession cannot be estimated at this stage.

**Scrapping of Additional Excise Duty**

*38. SHRI O.P. KOHLI:
DR. RANBIR SINGH:

Will the Minister of FINANCE be pleased to state

(a) whether the State Governments have demanded the scrapping of the Additional Excise Duty (AED) on sugar, textiles and tobacco and levy of sales tax thereon to boost their revenue;

(b) if so, the details thereof; and

(c) the reaction of the Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKARA MURTHY): (a) and (b) No formal request in this regard has been received by the Government. However, in the 7th meeting of the Standing Review Committee on Additional Excise Duty (AED) held on 19th June, 1995, some of the States demanded that the AED regime should be scrapped.

(c) The Government has appointed a Committee of State Finance Ministers to go into various espects of tax reforms including gradual, introduction of Value Added Tax (VAT). Any change in the AED regime would have to be viewed in the light of the recommendations that may be made by the Committee regarding introduction of V.A.T.

**Enron Power Project**

*39. SHRI GURUDAS DAS GUPTA:
SHRI N. GIRI PRASAD:

Will the Minister of POWER be pleased to state:

(a) whether Governement's attention has been drawn to the controversy, over the Enron Power Projects in Maharashtra; and

(b) if so, the details thereof and Government's reaction thereto?

THE MINISTER OF POWER (SHRI N.K.P. SALVE): (a) and (b) The Maharashtra State Electricity Board has informed that the report of the Review Committee set up by the Maharashtra Government regarding the Enron Power Project at Dabhol has been submitted to the Government of Maharashtra. The Central Government can react only after Government of Maharashtra takes a decision.